

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0326995

IN RE: P-5 ORGANIZATION REPORT OF DEC OPERATING, INC.

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator failed to request a hearing and pay the hearing fee as required by 16 TEX. ADMIN. CODE §3.15(g)(4) and TEX. NAT. RES. CODE §89.022(f). This matter having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. DEC Operating, Inc. [Operator #209147] (the "Operator"), is the record operator or one or more inactive wells in the State of Texas and is required to file Organization Report (Form P-5) with the Commission. Operator's most recent P-5 was due on or before December 1, 2019.
2. After filing its most recent Organization Report (Form P-5) with the Commission, the Operator was notified they were deficient and had failed to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 (Surface Equipment Removal Requirements and Inactive Wells) and provided with a written statement of the reasons for the determination and allowed ninety (90) days from the date its P-5 was due to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 and TEX. NAT. RES. CODE §§89.021 - 89.030.
3. After the expiration of ninety (90) days and pursuant to 16 TEX. ADMIN CODE §3.15(g)(4), an authorized Commission employee determined that the Operator's Organization Report still could not be renewed because the Operator continued to fail to comply with the requirements of 16 TEX. ADMIN. CODE §3.15 (Surface Equipment Removal Requirements and Inactive Wells).
4. The Commission sent the Operator a letter by certified mail giving notice to the Operator of the determination of continued non-compliance regarding specified inactive wells, attached as Exhibit A to this order, and advising the Operator of the right to request a hearing to show compliance. The letter notified the Operator that the hearing request must be received in docket services no later than 30 days after the date of the letter. The letter also notified the Operator that a final order denying renewal of the Operator's

Organization Report (Form P-5) would result in the cancellation of all P-4 Certificates of Compliance and the severance of all pipeline or other carrier connections.

5. All notices and letters from the Commission to the Operator on this matter were addressed and mailed to the Operator's most recently reported address on the Form P-5 Organization Report.

6. The Operator did not timely request a hearing and pay the hearing fee on these issues as required under 16 TEX. ADMIN. CODE §3.15(g)(4) (Surface Equipment Removal Requirements and Inactive Wells).

7. Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) is a Commission rule that relates to safety or the prevention or control of pollution.

CONCLUSIONS OF LAW

1. The Operator received proper notice and an opportunity for hearing regarding compliance with 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.

2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this matter have been performed or have occurred.

3. The Operator is in violation of Commission Statewide Rule 15 and did not timely request a hearing to contest the determination that it was in violation.

4. The Operator's P-5 Organization Report should not be renewed and all the Operator's P-4 Certificates of Compliance should be cancelled, with all related pipeline or other carrier connections severed. 16 Tex. Admin. Code §3.15 (g)(4) and Tex. Nat. Res. Code §§89.022(f), 91.704 - 91.706.

5. The Operator's P-5 Organization Report cannot be renewed until the operator brings the inactive wells shown on the attached Exhibit A into compliance with the requirements of 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.

IT IS ORDERED that renewal of DEC Operating, Inc.'s P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to DEC Operating, Inc. as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

It is further ORDERED that DEC Operating, Inc. shall bring the wells on Exhibit A into compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) and that the Operator's P-5 Organization Report shall not be renewed until the wells on Exhibit A have been brought into compliance as required by this order.

It is further ORDERED that DEC Operating, Inc. and each person who held a position of ownership or control in the Operator at the time the Operator's most-recent P-5 Organization Report was filed shall be subject to the terms of TEX. NAT. RES. CODE §91.114.

It is further ORDERED by the Commission that this order shall not be final and effective until 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 100 days from the date the Commission Order is signed.

All requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Rule 15 Inactive Well Master Order dated August 4, 2020.)

API Number	District	ID Number	Lease Name	Well Number
361 00713	03	03263	FIRST NATIONAL BANK	3
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
361 00721	03	03238	MICHEL HEIRS	1
No approved W-3X on file				
361 00881	03	03228	GULF FEE	2
No approved W-3X on file				
361 00885	03	03228	GULF FEE	3
No approved W-3X on file				
361 00889	03	11047	MICHEL -B-	2
No approved W-3X on file				
361 00892	03	03228	GULF FEE	1
No approved W-3X on file				
361 00944	03	03260	GULF WM. WINFREE FEE	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
361 00946	03	03260	GULF WM. WINFREE FEE	2
No approved W-3X on file				
361 00956	03	03260	GULF WM. WINFREE FEE	3
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
361 00959	03	03303	MICHEL-BERWICK	1
No approved W-3X on file				
361 01042	03	03230	PEVETO, F.T. "B"	7
No approved W-3X on file				
361 01080	03	03230	PEVETO, F.T. "B"	2
No approved W-3X on file				
361 01089	03	03230	PEVETO, F.T. "B"	11
No approved W-3X on file				
361 01090	03	03230	PEVETO, F.T. "B"	14
No approved W-3X on file				
361 01091	03	03230	PEVETO, F.T. "B"	9
No approved W-3X on file				
361 01092	03	03230	PEVETO, F.T. "B"	10
No approved W-3X on file				
361 01093	03	03227	GRANGER, M. HEIRS	7
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
361 01101	03	03227	GRANGER, M. HEIRS	10
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
361 01102	03	03227	GRANGER, M. HEIRS	6
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
361 01103	03	03227	GRANGER, M. HEIRS	4
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
361 01111	03	03232	SUN OIL COMPANY, ETAL	9
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
361 01114	03	03230	PEVETO, F.T. "B"	8
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
361 01116	03	03294	PEVETO, F. T.	3
No approved W-3X on file				
361 01117	03	03294	PEVETO, F. T.	4
No approved W-3X on file				
361 01124	03	03231	PEVETO, F. T. -A-	2A
No approved W-3X on file				
361 01125	03	03231	PEVETO, F. T. -A-	1A
No approved W-3X on file				
361 01126	03	03231	PEVETO, F. T. -A-	3A
No approved W-3X on file				
361 01127	03	03259	GRANGER, CORA ETAL	7
No approved W-3X on file				
361 01128	03	03259	GRANGER, CORA ETAL	9
No approved W-3X on file				
361 01172	03	03223	KEEBLE-GULF FEE	2
No approved W-3X on file				
361 01182	03	03222	HARMON, L. H. - GULF FEE	2
No approved W-3X on file				
361 01185	03	03222	HARMON, L. H. - GULF FEE	1
No approved W-3X on file				
361 01194	03	06232	CORMIER, ROBERT FEE	A 1
No approved W-3X on file				
361 01204	03	03263	FIRST NATIONAL BANK	4
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
361 01222 No approved W-3X on file	03	06232	CORMIER, ROBERT FEE	2
361 30021 No approved W-3X on file	03	03294	PEVETO, F. T.	2
361 30049 No approved W-3X on file	03	03228	GULF FEE	5
361 30052 No approved W-3X on file	03	10329	MOORE UNIT	1A
361 30061 No approved W-3X on file	03	03227	GRANGER, M. HEIRS	14
361 30063 No approved W-3X on file	03	03232	SUN OIL COMPANY, ETAL	13
361 30064 No approved W-3X on file	03	03299	GALLIER-GRANGER UNIT	1 A
361 30070 No approved W-3X on file	03	03227	GRANGER, M. HEIRS	16
361 30098 No approved W-3X on file	03	03226	GRANGER, FRANK	3
361 30101 No approved W-3X on file	03	03227	GRANGER, M. HEIRS	19
361 30104 No approved W-3X on file	03	03228	GULF FEE	6
361 30121 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	03	03228	GULF FEE	7
361 30137 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	03	03230	PEVETO, F.T. "B"	16
361 30139 No approved W-3X on file	03	11454	SMITH, NANIE	1
361 30140 No approved W-3X on file	03	03228	GULF FEE	8
361 30294 No approved W-3X on file	03	03230	PEVETO, F.T. "B"	17
361 30297 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	03	03230	PEVETO, F.T. "B"	18
361 30298 No approved W-3X on file	03	03227	GRANGER, M. HEIRS	20

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API Number	District	ID Number	Lease Name	Well Number
361 30315	03	12299	BOISE, ET AL	1
No approved W-3X on file				
361 30316	03	03226	GRANGER, FRANK	5
No approved W-3X on file				
361 30320	03	12172	LEON	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
361 30332	03	03228	GULF FEE	10
No approved W-3X on file				
361 30365	03	03228	GULF FEE	11
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
361 30388	03	03228	GULF FEE	12
No approved W-3X on file				
361 30394	03	03299	GALLIER-GRANGER UNIT	3 A
No approved W-3X on file				
361 30415	03	03228	GULF FEE	13
No approved W-3X on file				
361 30420	03	12172	LEON	3
No approved W-3X on file				
361 30439	03	03228	GULF FEE	14
No approved W-3X on file				
361 30443	03	12172	LEON	4
No approved W-3X on file				
361 30444	03	10329	MOORE UNIT	4A
No approved W-3X on file				
361 30480	03	03260	GULF WM. WINFREE FEE	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
361 30486	03	03260	GULF WM. WINFREE FEE	7
No approved W-3X on file				
361 30496	03	03299	GALLIER-GRANGER UNIT	4
No approved W-3X on file				
361 30601	03	03227	GRANGER, M. HEIRS	21
No approved W-3X on file				
361 30625	03	03232	SUN OIL COMPANY, ETAL	14
No approved W-3X on file				
361 30848	03	03232	SUN OIL COMPANY, ETAL	B 1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
361 30850 No approved W-3X on file	03	03259	GRANGER, CORA ETAL	B 1
361 30853 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	03	25368	NORWOOD HEIRS-LAFLEUR UNIT	1
361 30856 No approved W-3X on file	03	03226	GRANGER, FRANK	B 1
361 30860 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	03	03228	GULF FEE	B 1
361 30865 No approved W-3X on file	03	25316	NORWOOD HEIRS-LAFLEUR UNIT B	2
361 80046 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	03	03228	GULF FEE	9
361 80047 No approved W-3X on file	03	03232	SUN OIL COMPANY, ETAL	1
361 80049 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	03	03232	SUN OIL COMPANY, ETAL	3
361 80050 No approved W-3X on file	03	03232	SUN OIL COMPANY, ETAL	4
361 80053 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	03	03232	SUN OIL COMPANY, ETAL	12
361 80054 No approved W-3X on file	03	03238	MICHEL HEIRS	7
361 80196 No approved W-3X on file	03	11454	SMITH, NANIE	3
361 80197 No approved W-3X on file	03	12172	LEON	2
361 80198 No approved W-3X on file	03	12563	CORBETT	1
361 80203 No approved W-3X on file	03	14130	MINOR	1
361 80277 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	03	11047	MICHEL -B-	1

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Exhibit A